

Mid-Week Markets Recap: April 1, 2026

Key Takeaways

- A shift in investor concern regarding implications from the Iranian conflict has altered monetary policy expectations
 - Amazon's latest agreement with Delta Airlines signals its expansion into the telecommunications sector
 - Nike's recent earnings report is met with negative investor reaction
 - President Trump's latest address signals that the war is still on
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Markets Shift from Inflationary Concerns to a Slowdown in Growth

“A shift in concerns regarding the Iran conflict has renewed demand for Government Bonds across the world”

Since the onset of the Iranian conflict, government bond yields had risen globally as inflation concerns weighed on demand. This has gone on during the entirety of the war, yet on Monday this changed.

Yields across the world, including treasuries, had seen a renewed surge of demand following a shift in investor sentiment. With the Iranian conflict, markets concerns had been centered around inflation, and what it would mean for central bank policy. Within the U.S., this had led to increased expectations of a Hawkish Fed, and even led to the rise of expectations of a potential rate hike. This sentiment furthered the advance in yields that markets had been experiencing, but today was where this changed. Across markets investors have broadly shifted their focus onto economic growth and how rising oil prices could lead to a slowdown in this metric.

This led to a change in expectations surrounding monetary policy which increased current demand for government bonds, and pushed yields down. This move allowed metals and equities to push higher, however the dollar pushed higher. While risk-on assets have seen an advance, markets haven't been fully convinced, hence the price action of the dollar. Haven asset demand, outside of metals, still remains, mainly driven by geopolitical pressure. Tensions continue to escalate and the potential for a resolution is slowly deteriorating. While a slowdown in economic growth has now become the primary concern, it hasn't been enough to bring an end to this current risk-off episode. Until the potential for a resolution becomes imminent, investors will continue to remain in their defensive strategies, and any short-time noise can be seen as more of a temporary shift rather than structural in underlying sentiment.

Delta to Launch Amazon Leo In-Flight Wi-Fi

“Amazon’s latest agreement places it as a direct competitor to Elon Musk’s Starlink”

Tuesday morning, Amazon announced that it had entered into an agreement with Delta Airlines in which the latter would utilize Amazon’s Leo satellite technology to provide in-flight Wi-Fi to its passengers.

This latest announcement not just fortifies the relationship Amazon has built with Delta but also signals its expansion into the telecommunications space. Prior to this agreement, Delta had been actively utilizing Amazon’s AWS platform for its technology infrastructure, which includes its reservation system. With this new partnership, Delta has now provided Amazon with a platform to expand into the telecommunications area.

Outside of Amazon, Starlink, a venture led by Elon Musk, has also seen partnerships with airlines emerge. Last month, Southwest Airlines announced a deal to implement Starlink on its planes, and prior to Southwest deals had also previously been done with United Airlines, Alaska Airlines, Hawaiian Airlines and many more. Starlink’s in-flight Wi-Fi has been commended for its signal strength, far surpassing that of its competitors, which has further cemented its already strong position.

Starlink has emerged as a clear leader in this market, leaving Amazon with substantial progress to make to catch up. Amazon neither has the infrastructure or partnerships that Starlink boasts, but this recent deal moves it an inch closer. The key question now is how LEO’s network will perform and be implemented, with Delta set to begin rollout in 2028. While the Delta partnership provides Amazon with a valuable entry point, the long rollout timeline and lack of comparable infrastructure suggest that the initiative is unlikely to be a near-term earnings driver. Instead, the announcement should be viewed as a strategic expansion into a new vertical, with long-term potential dependent on execution and network performance.

Nike Revises Guidance Down in its Latest Earnings Report

“Despite beating analyst expectations, Nike shares fall after revising guidance downward”

After market-close, Nike reported its third quarter results for its current fiscal year, a report that received negative reception from investors.

Nike reported quarterly revenue of \$11.28 billion and EPS of \$0.35, exceeding analyst expectations of \$11.24 billion in revenue and \$0.28 EPS. While above expectations, it is important to note that this quarter’s EPS saw a 35% decline from a year earlier, where EPS of 54 cents a share was reported. Despite strong top and bottom-line numbers, Nike stock still fell around 9% following the release, a move primarily driven by the outlook it provided investors.

On the quarter sales had declined in many of the company’s segments, including China. Nike, in its guidance for the following year, noted this as a trend to continue, with expectations of the next quarter and overall fiscal year to past a decline in sales in the LSD’s. Sales within its European segment also declined in the quarter, a trend that Nike expects to continue after highlighting expectations of elevated inventory levels within the region.

It was through these factors that we saw investors react the way they did following the report. Sales are expected to decline further, and the path to recovery remains uncertain. Uncertainty from tariffs, in the past, had impacted consumer spending and now the same idea has returned. The conflict with Iran has already led to rising gas prices, and ultimately is expected to send prices higher, which would see consumers behave similar to how they did in the past. Geopolitical uncertainty has continued to weigh down on spending, and while Nike claims that it hasn't impacted consumer behavior in the past, the future still remains uncertain.

President Trump Addresses the Nation

“President Trump’s latest speech signals that the war is still on”

On Wednesday night, President Trump addressed the nation from the White House, outlining the United States’ progress in Iran. While the speech covered a range of topics, markets focused primarily on his proposed timeline for concluding the conflict. The President stated that the U.S. intends to “finish the job,” estimating that operations could be completed within two to three weeks.

Leading up to this address, investor sentiment had increasingly tilted toward a near-term resolution, prompting a brief reversal in the broader risk-off environment. However, following the speech, that optimism faded. Oil futures moved higher, while equities declined across both domestic and international markets. Meanwhile, precious metals such as gold and silver also pulled back after the announcement.

This price action reflects the prevailing market dynamic over the past month where reactions have been highly sentiment-driven and sensitive to incremental developments. Notably, yields continued to decline, signaling a shift in expectations around future economic growth.

In essence, markets have responded positively to any indication of de-escalation, while signs of prolonged conflict have triggered risk-off behavior. For now, any short-term risk-on moves appear to be sentiment-driven rather than structural. Until more definitive developments emerge, this pattern is likely to persist.